

Washington, DC - Rep. Linda Sánchez worked to accelerate critical reforms that will protect consumers from the abusive practices of the credit card industry. The House of Representatives passed a bill today to move up the effective date for credit card reforms to Dec. 1, 2009, from Feb. 22, 2010.

“This marks a step forward in bringing consumers badly-needed relief, said Rep. Linda Sánchez. “Congressional action became necessary because of gamesmanship by credit card companies. It may be a little late for Halloween, but the bill tries to turn the credit card companies’ tricks into a treat for consumers. ”

In May, President Obama signed into law a credit card reform act to crack down on the way issuers raise fees and interest rates. The reforms were scheduled to roll out in three parts over 12 months. The bill passed today is meant to keep credit card issuers from getting in under the wire with a last gasp of unfair practices.

“Credit card companies took advantage of the time between when the reform act was signed and when it was scheduled to go into effect by raising interest rates, minimum payments, and fees on consumers,” Sánchez continued. “Hard working families have enough trouble making ends meet in this economy and should not be unfairly burdened by credit card companies trying to make a profit.”

By moving up the start date of much of the Credit CARD Act, Congress can limit the worst practices of credit card companies before the full law takes effect. The Credit CARD Act implemented tough regulations on the credit card industry and empowered consumers by equipping them with the tools they need to manage their own credit. The original legislation includes crucial measures that protect consumers from unfair interest rate hikes on existing balances, double-cycle billing, and due-date gimmicks. The common-sense reforms in this bill will bring transparency and fairness to the credit card industry and will provide customers with the information they need to make smart financial decisions.

The House passed the bill 331-92. The Senate will also have to vote to pass the bill in order for it to become law.